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PATENT
Attorney Docket No. 020375-021400US

TOWNSEND and TOWNSEND and CREW LLP

By: /Bonnie Rickles/
Bonnie Rickles

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of:

Adam Coyle

Application No.: 09/713,770

Filed: November 16, 2000

For: CARD-BASED SYSTEM AND
METHOD FOR ISSUING
NEGOTIABLE INSTRUMENTS

Confirmation No. 3444

Examiner: Kelly S. Campen

Technology Center/Art Unit: 3691

RESPONSE TO NOTIFICATION OF
NON-COMPLIANT APPEAL BRIEF (37
CFR 41.37)

Mail Stop Appeal Brief
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

Pursuant to the Notification of Non-Compliant Appeal Brief dated May 29, 2008,
Appellant submits the following Response.

3. STATUS OF CLAIMS

Claims 22, 24-31 and 33-38 are currently pending. Claims 1-21, 23, 32 and 39 have been cancelled. All pending claims stand rejected pursuant to an Office Action dated December 31, 2007. The rejections of the claims are believed to be improper and are the subject of this appeal.

5. SUMMARY OF CLAIMED SUBJECT MATTER

Appellant's invention is a method and system for issuing prepaid negotiable instruments by a non-banking institution (Application, p. 2, ll. 12-14). While many consumers use traditional banking relationships, there are some consumers in financial circumstances that make such relationships impractical or undesirable. This group of consumers is sometimes identified as part of a cash-based society, and they avoid traditional banking relationships because of worry about garnishments, inconvenience, or disrespectful service (p. 1, ll. 27-32)

Embodiments of the invention address this problem by establishing an uninsured, prepaid account at a non-banking institution. The use of an uninsured account permits the non-banking institution to provide financial services to cash-based customers without the need for qualifying/approval barriers, high costs, and intricate fee and reporting obstacles that are associated with a traditional banking relationship (p. 5, ll. 4-8). The account is able to receive deposits of funds from or on behalf of the account holder (p. 5, ll. 8-12). Funds may then be accessed from the account through the issuance of prepaid negotiable instruments (p. 9, ll. 7-9).

Deposits may be made into the prepaid account using a separate account at a banking institution. Such deposits made to the banking account are then automatically swept into the prepaid account where they can be accessed by the account holder (p. 2, ll. 16-24). This not only permits the account holder to have the advantage of direct deposits (e.g., through the use of ACH transfers), but those funds become immediately available at the prepaid account where they may be used without the reporting and other restrictions attendant to a traditional banking relationship (p. 6, ll. 6-20).

Since the prepaid account is set up at a non-banking institution, it may be an anonymous account (there is no personal information concerning the account holder), and the funds may accessed (through the issuance of prepaid negotiable instruments) without the use of personal information (e.g., the account holder may use a PIN rather than personal information to access the account) (p. 3, ll. 14-23).

Independent Claims 22 and 37

Independent claim 22 recites a system for issuing prepaid negotiable instruments to account holders. An overview of the system is shown in Figs. 1, 2, 3 and 8a and 8b. The system includes a database (Fig. 3, elements 312, 316) for storing in relation to a prepaid account 102, an account identifier and a balance that represent funds deposited as prepaid negotiable instruments (p. 9, ll. 7-9; p. 10, ll 1-3; p. 12, ll 1-6). The prepaid account is maintained by a non-banking institution and is thus not FDIC insured (p. 5, ll. 1-2). A transaction terminal (element 112 or 116) includes a card reader (elements 811 or 816) for reading the account identifier, an input device (elements 306 or 814) for entering the amount of a negotiable instrument (p. 15, ll. 13-23), and a printer (elements 304, 818 or 844) for printing the amount of the negotiable instrument. A server system (elements 211, 214) receives the account identifier, accesses the database to determine the balance in the prepaid account, authorizes a negotiable instrument if there is a sufficient balance, and debits the prepaid account (p. 9, l. 10 through p.10, l. 12). A communications link (element 210) receives data relating to a bank account maintained by a banking institution, the bank account for receiving deposits and immediately crediting those deposits to the prepaid account (p. 8, ll. 8-22).

Claim 37 recites a method with steps corresponding to system features of claim 22. An overview of the method is shown in Figs. 1, 2, 3 and 8a and 8b. The method includes storing in a database (Fig. 3, elements 312, 316) in relation to a prepaid account 102, an account identifier and a balance that represent funds deposited as prepaid negotiable instruments (p. 9, ll. 7-9; p. 10, ll 1-3; p. 12, ll 1-6). The prepaid account is maintained by a non-banking institution and is thus not FDIC insured (p. 5, ll. 1-2). A prepaid negotiable instrument is issued at transaction terminal (element 112 or 116), where the terminal includes a card reader (elements

811 or 816) for reading the account identifier, an input device (elements 306 or 814) for entering the amount of a negotiable instrument (p. 15, ll. 13-23), and a printer (elements 304, 818 or 844) for printing the amount on the negotiable instrument. A server system (elements 211, 214) is provided, the server system receiving the account identifier, accessing the database to determine the balance in the prepaid account, authorizing a negotiable instrument if there is a sufficient balance, and debiting the prepaid account (p. 9, l. 10 through p.10, l. 12). A bank account 104 is maintained by a banking institution for receiving deposits (p. 7, ll. 9-18), and for immediately crediting those deposits to the prepaid account (p. 7, ll. 19-22).

Dependent Claims 24-31, 33-36 and 38

Other embodiments of the invention are recited in the dependent claims 24-36 (which depend from claim 22), and 38 (which depends from claim 37). Each of these claims recite specific limitations in combination with the elements of their respective parent claims.

Claim 24 recites that deposits to the bank account are direct deposits through an automated clearinghouse (p. 7, ll. 1-18). Claim 25 recites that a card and PIN are used at the terminal in order to request a negotiable instrument (p. 14, l. 28 through p. 15, l. 12). Claim 26 recites that the prepaid account is "anonymous," that the database stores no identifying personal information, and that the server authorizes the negotiable instrument without requiring identifying information, other than the account identifier and PIN (p. 16, ll. 5-8). Claim 27 recites limitations similar to claim 26, but further provides that the anonymous account stores no identifying information other than the account holder name, in order for the name to appear as payee on the issued negotiable instrument (p. 20, ll. 15-16). Claims 28, 35 and 38 recite that the negotiable instrument is issued in the account holder's name and also recite (in claims 28 and 38) that the instrument is preprinted with a restrictive legend requiring identification for cashing (p. 20, ll. 21-22). Claim 29 recites that the negotiable instrument is also preprinted with a restrictive legend setting an upper limit on its face value (p. 20, l. 23). Claims 30 and 31 recite that the transaction terminal is an ATM or, alternatively, a POS terminal (elements 112, 116). Claim 33 recites that the non-banking institution is a Licensed Money Transmitter, requiring a transaction fee which is deducted from the prepaid account for the negotiable instrument (p. 10, ll. 1-11).

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Claim 34 recites that the server system authorizes the negotiable instrument if there is a sufficient balance to cover the amount of the negotiable instrument and transaction fee (p. 10, ll. 1-3). Claim 36 recites that the balance stored in the prepaid account is limited to a predetermined maximum (p. 16, ll. 23-26).

Respectfully submitted,

/Stephen F. Jewett/
Stephen F. Jewett
Reg. No. 27,565

TOWNSEND and TOWNSEND and CREW LLP
Two Embarcadero Center, Eighth Floor
San Francisco, California 94111-3834
Tel: 650-326-2400
Fax: 650-326-2422
61392230 v1